



## CONSUMER ALERT

**Office of the Attorney General**  
**Robert E. Cooper, Jr.**

**Department of Commerce and Insurance**  
**Commissioner Leslie Shechter Newman**

FOR IMMEDIATE RELEASE  
Aug. 12, 2008  
#08-33

CONTACT:  
Sharon Curtis-Flair  
(615) 741-5860

### **CONSUMERS HAVE UNTIL SEPT. 10 TO FILE COMPLAINTS TO BE ELIGIBLE FOR REFUNDS IN J K HARRIS AGREEMENT**

You have 28 days to request a refund if you used the services of J K Harris tax relief company or its sister company, Financial Recovery Systems, Attorney General Bob Cooper announced today.

Tennessee and 17 other states filed a settlement with the South Carolina-based companies, alleging deceptive business practices. Tennessee filed its agreement on behalf of the Tennessee Division of Consumer Affairs, with both companies and their manager, John K. Harris on June 19. Consumers have until Sept. 10 to file complaints with the Division of Consumer Affairs for refunds.

J K Harris allegedly advertised that it had more than 450 offices nationwide, including six in Tennessee (Johnson City, Jackson, Memphis, Chattanooga, Knoxville, and Brentwood.) Only the main office in North Charleston, S.C., however, handled consumers' files. The other offices were staffed by sales representatives.

The states also allege J K Harris claimed consumers' files were being handled by "tax experts" when that was not always the case. Some allegations include that J K Harris regularly advertised that it could help people who owed back taxes to the IRS by filing an Offer in Compromise (OIC) on their behalf and consumers would only have to pay "pennies on the dollar" of what they owed. Other complaints were that J K Harris charged money in advance before determining whether consumers qualified for an OIC or while knowing they did not. The IRS approves a very small percentage of OICs each year.

Allegations against Financial Recovery Systems include attempts to frighten consumers into signing up for credit repair services they did not need by sending deceptive notices about judgments against them. The company's services violated state credit repair laws.

Under the terms of today's judgment, J K Harris must clearly explain truthfully what consumers can expect to receive from the companies' services. J K Harris will also make several reforms to its advertising and sales practices. Financial Recovery Systems is barred from offering or performing credit repair services that do not comply with state and federal laws. Both companies will pay a combined \$1.5 million in refunds to consumers in the 17 states.

Consumers who wish to file a complaint to be eligible for a refund may contact the Division of Consumer Affairs at [www.tennessee.gov/consumer](http://www.tennessee.gov/consumer) or 615- 741-4737 or toll-free in Tennessee at 1-800- 342-8385.

Any response you may have made to the "class action" lawsuit that was filed against J K Harris DOES NOT ensure that you are covered by this settlement. To be sure that you are covered by the state settlement, you will need to file a complaint with the Tennessee Division of Consumer Affairs at [www.tennessee.gov/consumer](http://www.tennessee.gov/consumer) or 615- 741-4737 or toll-free in Tennessee at 1-800- 342-8385.

***[www.state.tn.us/attorneygeneral](http://www.state.tn.us/attorneygeneral)***

